2013 ANNUAL REPORT

IWMC
ISLAND WASTE MANAGEMENT CORPORATION

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CHAIRMAN'S MESSAGE

Honourable Robert Vessey
Minister of Transportation &
Infrastructure Renewal
PO Box 2000
Charlottetown, PE C1A 7N8

Mark McLane
Chairman, IWMC

Dear Minister,

Enclosed, please find the Island Waste Management Corporation Annual Report for the fiscal year ended March 31, 2013.

IWMC is a PEI Crown Corporation whose mandate is to develop, implement, and operate a waste management system to serve Prince Edward Island.

The Corporation is dedicated to building on the successes achieved to date and to divert as many resources as possible from landfill. The Board of Directors, Management and Staff are committed to managing solid waste generated on PEI in an environmentally-responsible and cost-effective manner. Monthly board meetings are held to review operations and follow progress on new initiatives.

It is an honour to serve PEI on the Board of Directors for Island Waste Management Corporation. Waste Watch, the 'made-in-PEI' solution of separation at source, has achieved remarkable success and is recognized as one of the best waste management programs in North America.

Sincerely,

Mark McLane, Chairman
IWMC Board of Directors

Board of Directors
as of March 31, 2013

Mark McLane	Chairman
David Arsenault	Secretary/Treasurer
Philip Acorn	Director
Marcella Carota	Director
Brian Douglas	Director
Laura-Lee Lewis	Director
Lester MacFadyen	Director
John MacQuarrie	Director
George Young	Director

Senior Management
as of March 31, 2013

Gerry Moore	Chief Executive Officer
Sheri Taylor Bradley	Chief Financial Officer
Claudette Gallant	Special Projects
Floyd Gaudet	Customer Service
Heather Myers	Disposal
Merie Surkan	Public Relations & Education

Gerry Moore
CEO, IWMC

CEO MESSAGE

Island residents have demonstrated that the goal to reduce waste by 50%, set by the federal government, can certainly be achieved. PEI was the first province in Canada to surpass this through the Waste Watch Program, launched Island wide in 2002.

The fiscal year ending March 31, 2013 was successful in many ways for IWMC and for homes and businesses of Prince Edward Island. Through ongoing commitment and hard work, over 54,000 metric tonnes were source separated out of the waste stream and processed by composting, recycling, or through special disposal programs. Our province has come a long way and it is truly hard to imagine that before Waste Watch this material would have been buried without consideration to the long-term impacts on the environment.

IWMC's significant highlights for this fiscal period include:

- A Paint Stewardship Program was launched in September 2012;
- The Battery Recycling Program was enhanced to include rechargeables as well as cell phones, and expanded to include the commercial sector;
- The storage yards at both Dingwells Mills and Murray River Drop-Off Centers were expanded and asphalted;
- IWMC recorded it's seventh straight year of operational profit and did not require any fee increases from our customers.

On behalf of IWMC management, I would like to thank all Islanders for their dedication and support in doing the right thing for PEI. We are proud of our accomplishments and will continue to build on the success of our programs.

Respectfully,

G Moore

Gerry Moore, Chief Executive Officer
Island Waste Management Corporation

WASTE WATCH

Island Waste Management Corporation (IWMC) is a provincial Crown Corporation that administers and provides solid waste management services throughout Prince Edward Island. Our mandate is to deliver a **cost-effective** and **environmentally-responsible** provincial waste management system to both the residential and commercial sectors of PEI. The Corporation is organized under a Board of Directors representing various sectors across the Province. Day-to-day operations are managed by the Chief Executive Officer and a team of dedicated employees.

The Waste Watch Program is the 'made-in-PEI' answer to waste diversion and the disposal of unwanted material. The program is based on a single premise — the mandatory source separation of the waste we create.

On PEI, the initial sorting of 'waste' into RECYCLABLES, COMPOSTABLES and WASTE at the source at homes, businesses, and institutions is the key to the entire system.

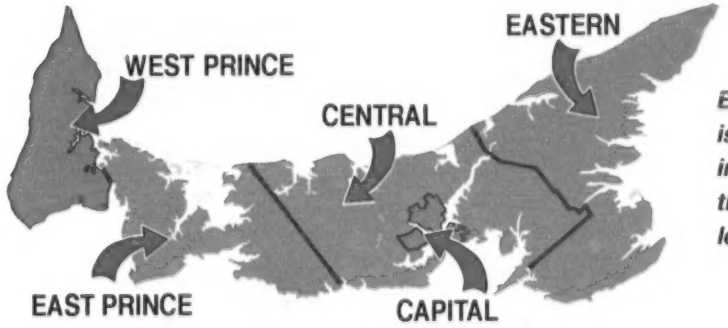
In addition to these streams, Island Waste Management Corporation has established programs for materials requiring special disposal such as hazardous materials, white goods, metals, used tires, silage wrap, fluorescent bulbs, medication, sharps, electronics, and batteries.

The PEI Waste Watch Program produces some of the highest waste diversion figures in North America. Mandatory participation is one of the main reasons the program is a success and it is the most cost-effective and precise way to separate different waste streams. The residents of Prince Edward Island have proven that the goal to divert waste from landfill can be achieved. ***IWMC continues to lead the way by example thanks to the support and dedication of all Islanders.***

RESIDENTIAL PROGRAM

Households are assigned two carts—green for compostables and black for waste. Carts are collected every week, with the green cart collected one week and the black cart the next. Blue bags are used for recyclables which are collected monthly. Residential customers are also provided with Spring and Fall Cleanup and a Christmas tree collection. In 2013, property owners were charged an annual fee of $205 (per household) on their property tax bill which covers the cost of carts, collection fees, and disposal costs for the entire year. Seasonal properties were charged $95 and received collection from June through September. An extended cottage collection is available from mid-May through the end of October for a seasonal rate of $120.

Depending upon need at multiple-unit or apartment complexes, each unit may be assigned a set of carts, or several units may share a set of carts. Some apartments may have containers for recyclables while at others, tenants place blue bags curbside on collection day. As required, IWMC staff work with individual landlords and/or property owners to help establish appropriate sorting stations and collection service for each facility.



Each homeowner/tenant is provided with pick-up information based on their geographical location.

INDUSTRIAL, COMMERCIAL & INSTITUTIONAL SECTOR

Businesses must arrange for a waste contractor to collect their sorted material or they may opt to self-haul their material to a Waste Watch Drop-off Center. Fees, based on weight, are charged for the disposal of commercial wastes at IWMC facilities.

Because participation is mandatory, businesses must provide sorting receptacles for their employees and guests. The commercial tippage fee for this fiscal period was $100 per metric tonne at IWMC's final disposal facilities. Fees for other material types are posted at disposal facilities and are determined based on the Corporation's cost to properly dispose of them.

DISPOSAL FACILITIES

PEI's sorted waste material is processed for final disposal at one of the following facilities:

- **PEI Energy Systems** (energy from waste facility)
- **East Prince Waste Management Facility** (fully-lined landfill cell)
- **Central Compost Facility** (organics processing)
- **GreenIsle Environmental Inc.** (recycling facility)

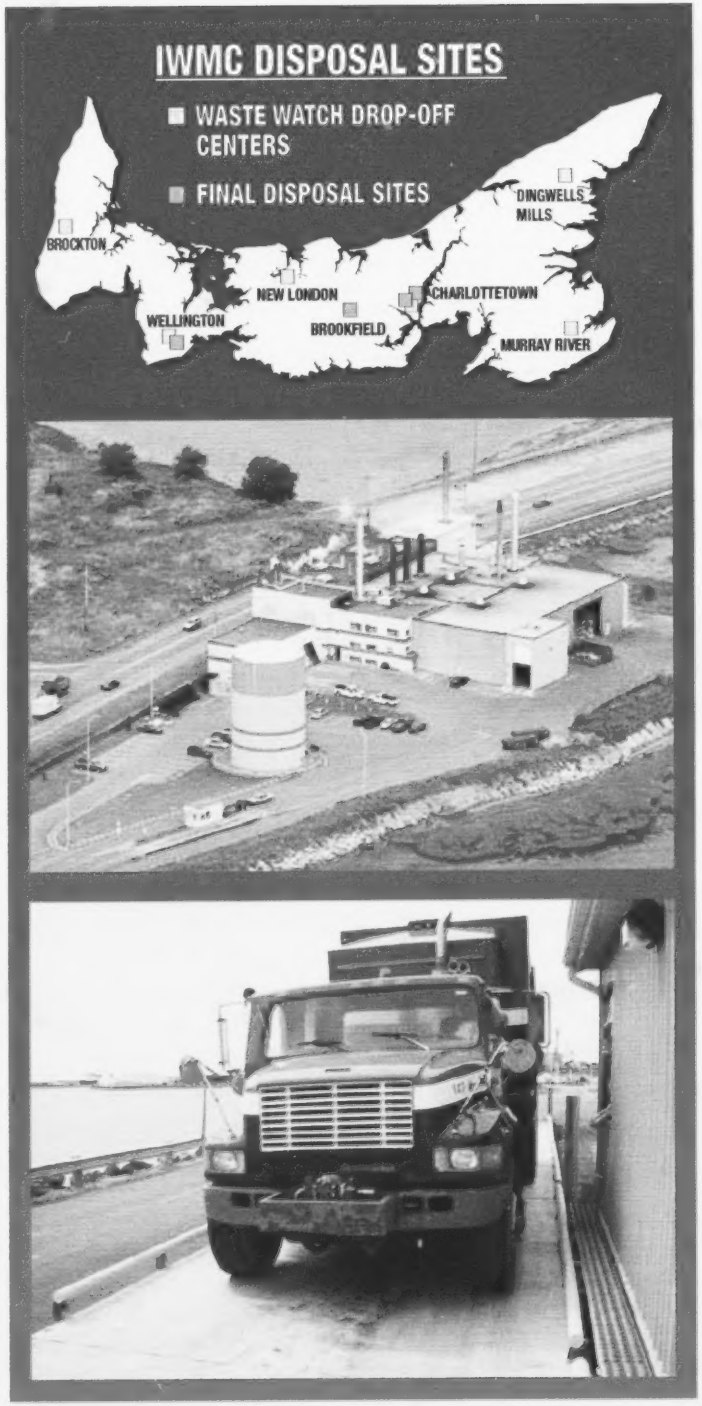
Some materials received at IWMC's facilities require special handling and disposal as specialized facilities are not currently available on PEI. Materials requiring specific disposal are sent off Island for appropriate processing and/or final disposal. Examples of such material types include hazardous waste, fly ash, batteries, and electronics.

IWMC has also established six Waste Watch Drop-Off Centers (WWDCs) which are geographically located across the province to offer disposal services to the general public as well as small business owners. Sorted material is transported from the WWDCs to the appropriate final disposal location.

PEI ENERGY SYSTEMS (PEI ES)

PEI ES is a privately owned and operated incinerator which burns municipal solid waste under contract with IWMC. The facility provides steam and/or hot water heat to a 15-km heat distribution system throughout the core area of the City of Charlottetown. The plant serves over 60 customers and heats 84 buildings, including all the provincial buildings, the University of PEI (UPEI), Holland College, two shopping malls and many other apartment and commercial buildings in the centre of Charlottetown. Energy for cooling is also provided to the Queen Elizabeth Hospital and UPEI. During this fiscal period, 26,525 tonnes of waste were processed for energy.

A total of 409 tonnes of fly ash generated at PEI ES was collected, transported and properly disposed of at an approved off-Island facility by NewAlta Industrial Services Inc.



EAST PRINCE WASTE MANAGEMENT FACILITY (EPWMF)

EPWMF, owned and operated by IWMC, is located in Wellington Centre, PEI and serves as a final waste disposal facility for contracted haulers. EPWMF is the only sanitary landfill within the province and features the following:

- second-generation lined landfill
- on-site wastewater treatment facility
- windrow composting facility
- tire storage
- Waste Watch Drop-Off Center
- drop-off depot for electronics
- household hazardous waste receiving facility

Waste materials destined for landfill are generated primarily from Prince County. Material generated in the remaining areas of PEI is transported to PEI Energy Systems.

Landfill

The landfill is approximately 22 acres in size and is being developed in six or seven cells. A high-density, polyethylene synthetic liner is used to prevent leachate migration into the groundwater.

Waste loads arriving at EPWMF are inspected for content and contamination prior to spreading on the landfill. Waste is covered daily with either bottom ash, construction and demolition material, compost screenings or clay. This layer reduces the amount of litter blowing throughout the facility.

IWMC purchased a new BOMAG BC 772 RB-2 landfill compactor during this fiscal period.

EPWMF Waste Watch Drop-Off Center (WWDC)

A WWDC is located at EPWMF for the general public and small businesses. This depot provides convenience to both residential and commercial customers to unload their sorted material. The WWDC houses five containers at a lower elevation as well as areas to store construction and demolition debris, asphalt shingles, yard and garden debris, bulk waste, white goods, and a household hazardous waste depot. Waste material is taken from this area and landfilled on site, while other materials are transported to appropriate final disposal facilities or off Island for recycling or special disposal.

Used Tire Management

EPWMF houses a storage site for used tires that are collected across geographical sites on the Island through a private contract. From April 1, 2012 to March 31, 2013, 2,509 tonnes of tires were collected. During this fiscal period 2,527 tonnes were sent to DTR Environmental Services Ltd. in Huntley, PEI where they were shredded and marketed for use in road construction as well as aggregate drainage material. No tires were baled during this period.

EPWMF - TONNAGE (Fiscal Year)

TYPE	2013	2012	2011
Waste	24,831	27,777	27,066
Bottom Ash	9,015	8,563	8,068
Compost	1,124	1,145	1,327
Contaminated Soil - Residential	4,116	7,405	11,242
Contaminated Soil - Commercial	2,185	602	1,756
Hazardous Waste (Est.)	36	49	43
Metals & White Goods	120	142	147
Tires	2509	2,417	2,168
Contaminated Material	818	1,299	1,201
Recyclable Silage Wrap	129	33	8
TOTAL	44,883	49,432	53,026

The new BOMAG BC 772 RB-2 landfill compactor at EPWMF.

Wastewater Production, Treatment and Monitoring

EPWMF's wastewater treatment system consists of an aerated lagoon, settling lagoon and a constructed wetland. Wastewater is pumped through the force main into the aerated lagoon where air is introduced to assist in the treatment process. The material then flows to a settling pond. From the settling pond, treated water flows through a constructed wetland made up of natural vegetation.

During this reporting period, 34,155 cubic meters of wastewater was captured in the collection system and treated on site. No leachate was sent off site for treatment. Monthly samples were drawn for laboratory analysis from sump buildings at each of the five cells and analyzed under the parameters outlined in the Department of Environment, Labour & Justice (DEL&J) Waste Resource Management Regulations.

The on-site wastewater treatment system is monitored for flow rates every day the site is open. On a monthly basis, the effluent from the aerated lagoon and settling lagoon are sampled for analysis. Effluent from the constructed wetland is also sampled monthly unless otherwise directed by DEL&J.

The results from monitoring are forwarded to DEL&J regularly.

Groundwater and Surface Water Monitoring

Throughout the facility are a series of groundwater monitoring wells (GMW) sunken at different levels. MacLyn Enterprises Incorporated collected samples from 25 wells in the spring and in the fall. Samples were also collected from the stormwater retention ponds and connecting manhole access ports, and spring (artesian well). These samples were analyzed at a laboratory for the parameters outlined in the Environmental Protection Act Waste Resource Management Regulations issued by DEL&J.

Composting Operations

EPWMF processes special organic materials in its aerobic, open windrow composting operation. Organics processed included sewage sludge from the Summerside pollution control plant, fat and batter crumbs from local food processing operations, and natural earthen clay soaked with soybean oil from an Island organization specializing in technology crops. Compost produced at EPWMF is utilized on site as intermediate cover material or vegetation layer at the landfill cell.

Contaminated Soil

During the fiscal period, 6,301 tonnes of contaminated soil was received at EPWMF. Between May and June, 2012, 4,329 tonnes were shipped to Envirem Organics in Memramcook, NB for disposal. The remainder was treated at EPWMF.

CENTRAL COMPOST FACILITY (CCF)

The Central Compost Facility, located in Brookfield, is owned by IWMC and operated under contract by ADI International Ltd. Source-separated organic feedstock is delivered to the site by commercial haulers and weighed, categorized and dumped on the tipping floor of the Receiving Building. Obvious contaminants are removed and the material is loaded into a coarse shear shredder then over a disc screen that separates the larger organics (i.e. boxboard) from smaller organics (i.e. food scraps). Organics (both large and small) go through separate sorting lines where contaminants are removed. Large organics are shredded to reduce their size and stored in holding bunkers. Yard debris such as branches and leaves are ground using a large shredder. All finished compost is used entirely on PEI, mostly for agricultural-related uses.

During fiscal 2013, CCF received 18,899 tonnes of organic material and produced 8,756 tonnes of final product. Regular sampling was performed and analyzed for the parameters outlined in the Environmental Protection Act Waste Resource Management Regulations issued by DEL&J.

WASTE WATCH DROP-OFF CENTERS (WWDCs)

In addition to the WWDC located at EPWMF, IWMC has established five other sites across PEI to accept items not collected at curb and to provide disposal alternatives for small business owners to self-haul sorted material. With the exception of GreenIsle, WWDCs are operated by IWMC. GreenIsle, located in Charlottetown, is owned by GreenIsle Environmental and operated under contract with IWMC. Refer to the map on page 5 for WWDC locations across the Island. At the WWDC, material is received, stored and subsequently transferred to a final disposal site or recycling facility by IWMC staff using two tandem axle roll-off trucks. The operating system consists of a series of disposal stations using 40 to 50 cubic yard roll-off containers. When customers arrive at a WWDC, vehicles are weighed, and sorted material is taken by the customer to the appropriate station. Disposal fees are charged for most items with the exception of:

- Bio-medical waste / medication (residential only)
- Large household furniture (mattresses, couches, etc.)
- White goods (fridges, stoves, etc.)
- Household hazardous waste
- Electronics
- Paint
- Tires
- Clean agricultural silage wrap

Each WWDC site is attended by a scale operator and a site inspector and is open to the public various hours based on seasonal needs. GreenIsle and EPWMF are open Monday to Saturday, however rural sites are operational between 2.5 and 3.5 days per week, some with increased hours during summer to accommodate heavier demands.

During this fiscal period, storage yards at both the Murray River and Dingwell Mills Waste Watch Drop-Off Centers were expanded and asphalted. At GreenIsle, the Household Hazardous Waste depot was relocated to make it more convenient for customers to drop off their material.

COMPOST PRODUCED AT CCF

FISCAL YEAR	TONNAGES RECEIVED	COMPOST PRODUCED
2013	18,899	8,756
2012	19,352	9,013
2011	20,223	12,523
2010	21,886	10,555
2009	22,735	12,617

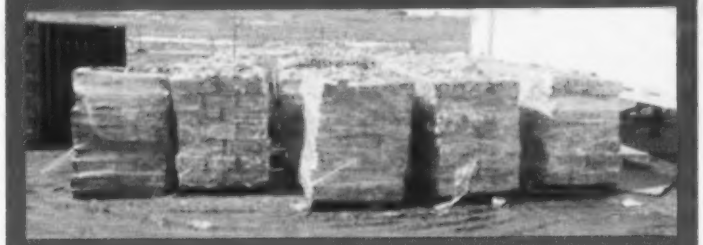
MATERIALS RECEIVED AT WWDCs*
(Tonnes per Fiscal Year)

WWDCs	2013 CUSTOMERS	2013 TONNAGE
Brockton	4,803	1,126
Dingwells Mills	5,146	821
GreenIsle	49,960	11,731
Murray River	4,061	594
New London	6,439	1,005
TOTAL	70,409	15,277

** At EPWMF, WWDC customers and tonnages cannot be tracked separately from other material received at this location.*

TOTAL TONNAGE
PEI FINAL DISPOSAL SITES

SITE	2013
East Prince Waste Management Facility (EPWMF)	44,912
PEI Energy Systems (PEI ES)	26,525
Central Compost Facility (CCF)	18,899



PEI TOTAL WASTE VOLUMES
(Tonnes per Fiscal Year)

MATERIAL TYPE	2013	2012	2011
Compost (contaminants removed)	18,131	18,168	19,089
Waste	51,938	55,078	53,578
Recyclables	12,793	10,590	9,423
Metals and White Goods	17,074	18,034	16,972
Tires	2,464	2,417	2,368
HHW	202	307	279
Electronics	652	606	374
Paint	31	N/A	N/A
Batteries	14	N/A	N/A
Silage	34	N/A	N/A
Other Provincial Programs	3,248	4,753	3,475
TOTAL	106,581	109,953	105,557

GREENISLE ENVIRONMENTAL

Under contract with IWMC, the GreenIsle recycling facility in Charlottetown is the major processor of recyclables for Prince Edward Island. This privately-owned facility receives, processes and ships over 250 tonnes of recycled materials to markets per week. Materials such as PET#1, HDPE#2, rigid and film plastics #2 - #5, coloured and clear glass, metals, corrugated cardboard, newsprint, and mixed office paper are processed. The organization also operates a smaller recycling facility in Summerside, PEI where corrugated cardboard is processed.

FORMER COMMUNITY DUMP SITES

Queens County Regional Landfill, located in the community of Milton, is no longer in use. The building and site are used for storage of Waste Watch carts and roll-off containers. MacLyn Enterprises Incorporated collected samples from 17 groundwater monitoring wells in October 2012. The samples were analyzed at a laboratory for the parameters outlined in the Department of Environment, Labour & Justice EPA - Waste Resource Management Regulations. Private home water samplings of nearby residential properties were discontinued following the integration of this community into Charlottetown's water system.

Groundwater monitoring was also conducted at the former landfill sites in Cardigan and St. Eleanors. MacLyn Enterprises Incorporated sampled 18 monitoring wells in Cardigan and 6 wells and 4 stream locations in St. Eleanors in October. These samples are sent to a laboratory for analysis and a report is issued to IWMC for each site. The reports are also submitted to the DEL&J to fulfill the commitment for continued monitoring at closed landfill sites.

DIVERSION FROM LANDFILL

For the fiscal year ending March 31, 2013, PEI has diverted 54,643 tonnes of material from landfill.

This does not include:

- material that is diverted privately (such as recyclables, metals, cooking oils, etc.);
- cardboard and plastics from larger commercial establishments such as Cavendish Farms, Wal-Mart, McCain Foods, etc. who recycle outside of IWMC's system;
- waste diversion activities such as backyard composting, grasscycling, commercial mulching operations, etc.

Provincial programs noted on the diversion chart (see left) include beverage container bottles, used oil, lead-acid batteries, rechargeable batteries, and pesticide containers.

DISPOSAL PROGRAMS

The success of the Waste Watch program hinges on customers, both residential and commercial, doing their part to sort waste resources into **RECYCLABLES**, COMPOSTABLES, and **WASTE**. This represents the 'bulk' of waste material generated on PEI, however IWMC administers and/or supports several other programs for materials requiring special disposal.

HOUSEHOLD HAZARDOUS WASTE (HHW) PROGRAM

Household waste material that poses a risk to health, safety or the environment is considered HHW. This includes products which are corrosive, reactive, toxic, or flammable as well as products such as fluorescent bulbs that contain heavy metals.

EXAMPLES OF HHW INCLUDE:

- adhesives, silicone, etc.
- items containing mercury
- pesticides, herbicides, etc.
- paints, solvents, etc.
- cleaners
- propane cylinders
- aerosol cans (with contents)
- fluorescent lights

IWMC has established HHW depots at all WWDCs. These depots are equipped with conventional personal protective gear and safety equipment, and staff responsible for the direct handling of HHW are provided with specialized training. Due to the nature of these products, HHW is never collected curbside. Residents must deliver them to a HHW depot at no charge.

Hazardous wastes produced by the industrial, commercial and institutional sector are not accepted at IWMC facilities. Businesses must safely and properly dispose of this material by making arrangements with a hazardous waste carrier.

The HHW program also features special disposal programs to handle household batteries, pharmaceuticals, and sharps. This material is accepted at HHW depots, however the following programs offer alternatives which enhance customer flexibility and convenience:

DISPOSE OF NEEDLES & SHARPS SAFELY...
DON'T GET STUCK!
It's Free And Easy ...
WHAT ARE SHARPS?
IWMC
MCKESSON
Safe Medication Disposal
FOR HOUSEHOLDS
TAKE IT BACK!
To help protect our environment PLEASE return medication to any PEI pharmacy for proper disposal...
DO NOT put medication in Blue Bags, Compost Carts or Waste Carts
NEVER flush medication down toilets or sinks
RE-STORE Your BATTERIES FOR RECYCLING

HHW PROGRAM cont'd

Don't Get Stuck

To protect customers and collection drivers from harm, IWMC, in collaboration with the Pharmaceutical Association, Canadian Diabetes Association, McKesson Canada and DEL&J, offers a safe needle disposal program for residents. Approved needle containers are provided at no charge to customers at local pharmacies and through Needle Exchange Programs. Customers use these approved containers to store used sharps and the full container is returned to local pharmacies, needle exchange locations or to a Waste Watch Drop-Off Center for disposal.

Approximately 2,556 5-litre containers of sharps were collected during the reporting period. These containers are transported to PEI ES for incineration.

Take It Back

Through association with the PEI Pharmaceutical Association and DEL&J, IWMC administers a safe medication disposal program for residents. At no cost, residential customers can return unused prescription and non-prescription medicine to Island pharmacies. During the fiscal period 33 lab packs, and 88 20-litre containers of pharmaceuticals were received and shipped to Ontario for final disposal.

Battery Recycling Program

Prior to this fiscal period, IWMC provided a battery recycling program for the residential sector while businesses were responsible to self-ship batteries off Island or contract with a hazardous waste carrier. In March 2012, IWMC through partnership with Call-2-Recycle, enhanced the battery recycling program on PEI. *Changes included:*

- the commercial sector was invited to participate at no charge;
- the program included the disposal of both rechargeable and non-rechargeable batteries as well as cell phones;
- businesses could opt to register with Call-2-Recycle to receive a free participation kit which included instructions and a self-addressed postage-paid collection box;
- Waste Watch Drop-Off Centers began accepting batteries from the commercial sector at no cost;
- the program covered the cost of disposal for residential batteries which was previously at the expense of IWMC.

Through the Battery Re-Store Program, residential customers continued to utilize convenient battery containers placed at PEI's major grocery stores. IWMC staff collected batteries from these locations and packed them in 45-gallon drums to be transported off Island for recycling.

A total of 13.5 tonnes of rechargeable, non-rechargeable and cell phones were collected and transported off Island over the year. In March of 2013, IWMC was recognized as a Call2Recycle Leader in Sustainability for its continued dedication to battery and cellphone recycling and for the Corporation's strong commitment to environmental sustainability.

METALS AND WHITE GOODS

During this fiscal period, IWMC reported 17,074 tonnes of metals and white goods recycled on PEI. This number represents material accepted and processed by privately-owned and managed scrap metal dealers. White goods, or items such as fridges, stoves, washers, freezers, etc., are accepted at all WWDCs at no charge. Through contract with IWMC, RDMD provides a service to remove harmful ozone depleting substances such as Freon, and the white goods are then transported to recycling markets. WWDCs accept metal products from residential and commercial customers. There is a disposal fee imposed on metals, however the fee is waived on all white goods delivered to IWMC facilities.

ELECTRONICS RECYCLING PROGRAM

The Electronics Recycling Program is industry led and is not funded by general taxpayers or the government, but by consumers and producers of electronic products. In August of 2012, the program, previously managed in collaboration with the Atlantic Canada Electronics Stewardship (ACES), was transferred to the Electronic Products Recycling Association (EPRA). This association is a national, non-profit organization entrusted with improving the efficiency and effectiveness of Canada's regulated electronics stewardship programs.

Fees are applied to the sale of new electronic products through EPRA, and these fees are used for the administration, collection, transportation and responsible recycling of this material. The funds also help cover the cost of recycling older electronic products to ensure they are processed responsibly. All Island WWDCs have been designated to accept electronics on behalf of EPRA. Material is accepted at no charge.

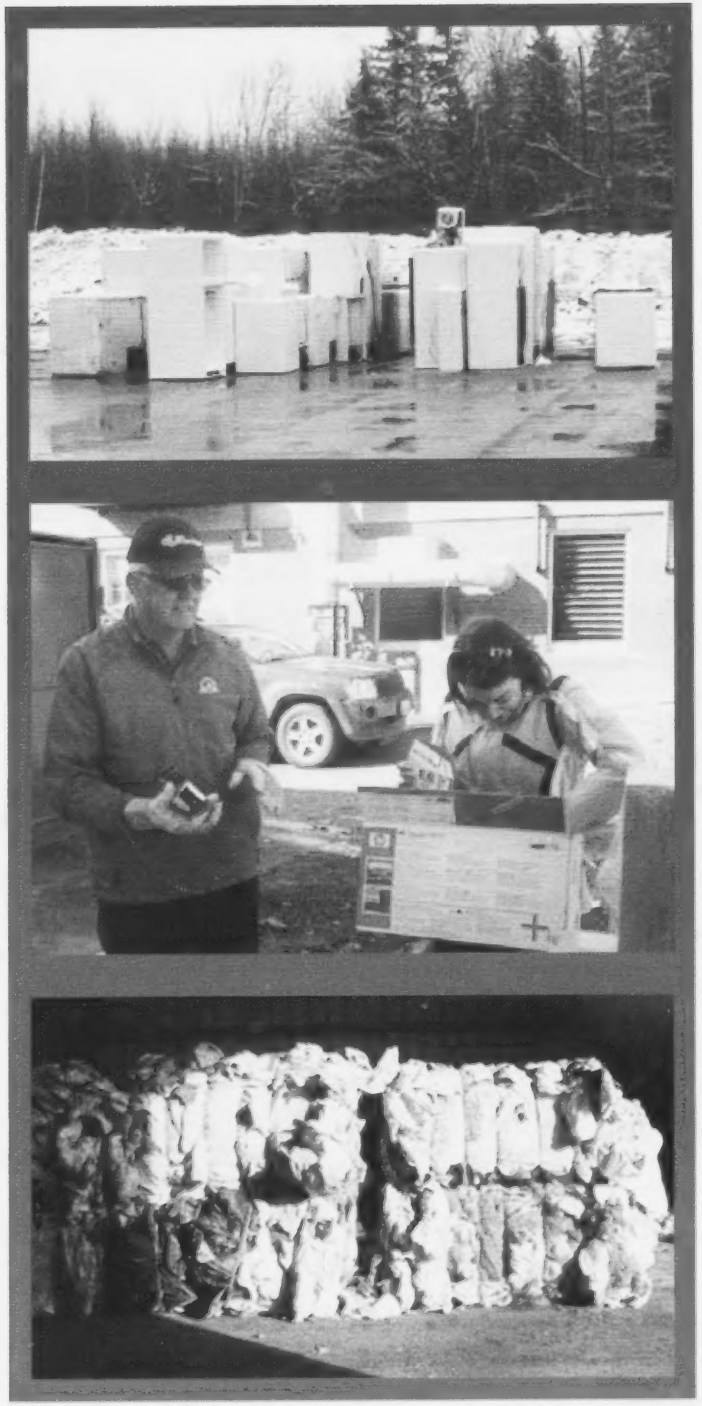
During this fiscal period a total of 652 tonnes were dropped off at WWDCs and shipped off Island for recycling.

SILAGE & BOAT SHRINK WRAP PROGRAM

A pilot program to accept silage and boat shrink wrap for recycling was in effect from February 1 to July 31, 2012. Up to half-ton loads were accepted at WWDCs, and farmers with significant quantities were advised to contact IWMC to make special arrangements for disposal.

At the end of July, an evaluation was conducted. The quantity of wrap received during the pilot was not substantial enough to determine the program's long-term sustainability, and it was extended for another year. Findings to date, however, pointed out that strawberry field plastics and net wrap were not suitable for markets. These items were removed from the silage wrap pilot program.

During this fiscal period 34 tonnes, representing shipment of two loads of wrap, were transported to market for recycling by a broker from Ontario.



PAINT STEWARDSHIP PROGRAM

In September of 2012, PEI joined Nova Scotia, New Brunswick and Newfoundland as jurisdictions with industry-operated paint recycling programs. In partnership with Product Care, IWMC's WWDCs began to accept paint from the commercial sector. Prior to this stewardship program, IWMC accepted paint products from residential customers only. Businesses were required to contract with a hazardous waste carrier to handle unwanted paint.

The Paint Stewardship Program is fully funded by Product Care which is a non-profit organization that operates a variety of product recycling stewardship programs across Canada. No recycling fee or environmental handling fee was added to the retail price of paint products, and the cost of disposal was covered completely through the program. This was a significant cost savings to the Corporation as household paint was previously accepted at no charge, and the expense for transportation and disposal was incurred by IWMC.

For this fiscal period, 31 tonnes of paints and aerosols were collected and transported off Island for recycling.

OTHER DISPOSAL & RECYCLING PROGRAMS

While IWMC has the mandate to manage waste on PEI, other programs which are administered by various government departments and private industry exist throughout the province. Some of these programs include:

- Beverage Container Refund Program
- Used Oil Program
- Lead-Acid Battery Program
- Pesticide Container Disposal
- Laser & Inkjet Cartridge Recycling
- Propane Tank Exchange Program
- Construction & Demolition Disposal Facilities

Communication with the public is a critical component for the success of the Waste Watch Program. While most Islanders have adopted good sorting practices into their day-to-day lives, reminders are often necessary. It is also important to ensure that the public is aware of any new waste management initiatives and to share our successes with our customers.

EDUCATION & AWARENESS

Education Program

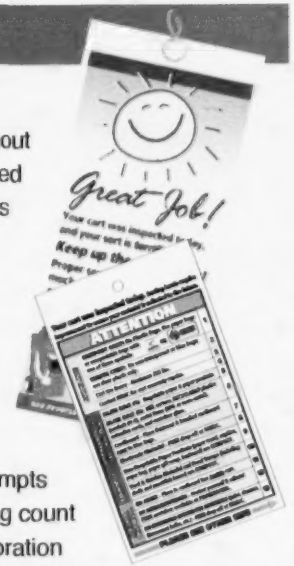
IWMC continues to produce a variety of tools to assist customers with participation in the Waste Watch Program. These tools include a semi-annual newsletter/calendar, sorting guides, electronic newsletters, website, and local community newsletters. PR staff also partner with businesses as well as municipal and provincial government organizations to produce custom material as required and to lend support to public initiatives. IWMC produces material to facilitate the introduction of new programs such as this year's new Paint Stewardship Program and the expansion of the Battery Program to the business sector. The PR team also creates tools designed to enhance participation in areas where reinforcement is required. Over the past year efforts have been focused at curbside education with the introduction of new information tags and a more comprehensive Participant Guide for new customers. As a result of changes to collection contracts and a re-examination of residential routes and new housing starts, revised maps were designed as well as "notice" tags used by drivers to inform homeowners impacted by collection day changes.

Business Audits

During this fiscal period, a pilot program was developed with a goal to assess sorting levels and sorting stations – both inside and outside – at businesses. The program was designed to create an awareness for business managers, owners and contracted haulers that Waste Watch is a mandatory source separation program for residents and the industrial, commercial and institutional sector. On-site visits allow IWMC to gain an understanding of the challenges and barriers faced by businesses and to provide solutions. This pilot continues into the next fiscal period and an analysis of the data gathered will be available for the 2014 Annual Report.

PROGRAM EDUCATION & AWARENESS cont'd

Curbside Monitoring & Education



A curbside monitoring program launched in February of 2012 continued throughout this fiscal period and was extended to the Eastern Region. IWMC staff worked closely with the contractor responsible for this area. This program involves targeted homes along a route for monitoring in advance of the collection vehicle. Carts containing well-sorted material were left with "Great Job" tags to acknowledge the homeowners' efforts. When improvements are required with respect to sorting, a tag is affixed to the cart to further guide the participant. The goal of the Curbside Monitoring Program is to remove recyclable materials from the waste stream. A follow up inspection is performed a few weeks after the first inspection, and further education is provided if required. Customers in non-compliance are rejected after two attempts when there is no evidence of improvement. As a measuring gauge, a blue bag count is performed prior to and after IWMC's curbside efforts. As a result, the Corporation has noted a 300% increase in the setout rate for blue bags in the targeted communities.

Tenant Participation

Efforts continue to support tenants of multi-unit apartment buildings. PR staff work closely with apartment owners and superintendents to develop custom signage and posters to help reinforce specific challenges faced at apartments. These posters help to reinforce the direction tenants are given by their landlords with a message that Waste Watch is mandatory for all Islanders, including those who rent apartments and other residential units.

Electronics Recycling

IWMC management continued to work closely with Electronic Products Recycling Assocation with electronic recycling education. Public reminder campaigns were provided prior to Spring and Fall Cleanup.

In celebration of Earth Day 2012, IWMC supported Holland College, Prince of Wales Campus in Charlottetown with their first annual Electronic Roundup. This event was held on campus grounds and included a convenient, one-day drop-off depot for unwanted electronics, batteries, and ink cartridges.

Education at Schools and Institutions

The Corporation works closely with and supports the efforts of schools, post-secondary establishments and other institutions. When requested, IWMC staff work with management to design and develop educational tools to facilitate sorting for the target audience and to give presentations as required. When working with schools, dialogue with cafeteria contractors is part of the process. Recommendations are made to reduce the amount of waste generated by simply incorporating alternate choices for serving lunches (i.e. a serviette instead of a Styrofoam™ plate).

PUBLIC RELATIONS ACTIVITIES

Women's Institute Initiatives

Over the year we partnered with PEI's Women's Institute chapters on a number of projects, with the Island Roadside Cleanup being one of the largest campaigns. IWMC assists with the promotion of this cleanup and provides bags at no cost to organizations and volunteers. In addition, the disposal fee for litter collected is waived.

Plant a Row – Grow a Row

IWMC is the Island sponsor of the annual Plant a Row – Grow a Row Program where gardeners are encouraged to plant an extra row of vegetables to donate to a food bank or soup kitchen. Posters and literature are developed and distributed to garden centers to encourage their involvement and assistance in promoting the program. IWMC staff also make presentations as requested and maintain contact with Island garden centers to help promote this program.

Compost Council of Canada Events

In conjunction with the Compost Council of Canada and Parks Canada, IWMC participated in several initiatives in commemoration of the 75th anniversary of Parks Canada PEI. The celebration was launched on June 3rd with the planting of a garden at the Green Gables Heritage Place in Cavendish with the produce earmarked for the Plant a Row - Grow a Row Program. At the event, the Preserve the Past, Relish Our Future recipe contest was announced.

The Corporation partnered with the Compost Council and Heritage Canada in hosting a Queen's Jubilee Tea in November as well as a re-launch of the 1937-1987 Jubilee Cookbook published by the PEI Museum and Heritage Foundation in December.

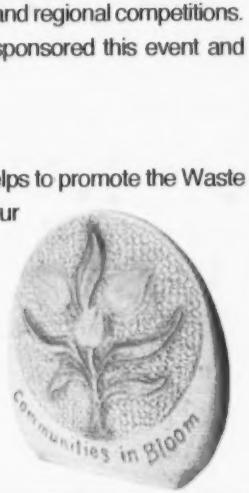
Provincial Science Fair

IWMC sponsors three specialty awards at the Provincial Science Fair in the categories of waste management and diversion. The Corporation provided judges for this event as well as for individual school and regional competitions. In 2012, the Canada-Wide Science Fair was held on Prince Edward Island. IWMC sponsored this event and participated in the planning and volunteer components of this successful initiative.

Community Involvement

The Corporation participated in several other community initiatives. Our participation helps to promote the Waste Watch Program and provides an opportunity to engage others in the preservation of our environment. Some of the activities we were involved with this year include:

- Children's Tree Lane for the Children's Wish Foundation
- Adopt A Corner Project with Communities in Bloom
- Adopt-A-Highway
- Waste Reduction Week activities
- Wasteless Lunch Lessons during Earth Day Week



CUSTOMER SERVICE

For homes, businesses and institutions, the initial sorting of waste into recyclables, compost and waste at the source is the key to the entire system. IWMC's Customer Service Center is staffed with trained personnel who receive inbound calls and make outbound calls to customers with concerns or questions. IWMC's website offers comprehensive information on our programs and features interactive forms, sorting guides, guidelines, special bulletins, storm updates, external links and a French section. During this fiscal period, 71,807 visits to our website were recorded with a total page viewing of 204,591.

SERVICES OFFERED

Residential Customers

Households receive bi-weekly cart collection for waste and compost and monthly collection of recyclables. In addition, a cleanup program is offered during spring and fall, and Christmas trees are collected in January.

Other programs exist for material not collected curbside. Homeowners are responsible to ensure proper disposal.

Multi-Family Dwellings

Depending upon the needs of a multi-family dwelling, tenants may be assigned carts on a per-unit basis, or several units may share a set of carts. IWMC staff work closely with apartment owners to provide property assessments with respect to cart corral layouts to optimize truck accessibility, snow removal and tenant access.

Business Customers

Industrial, commercial and institutional businesses follow the same sorting principles as residential customers, however do not receive curbside collection from IWMC. IWMC staff assists businesses with waste audits, provides advice on set up and disposal options, provides custom presentations and helps to resolve waste management issues and challenges as required.

RESIDENTIAL SERVICES OFFERED BY IWMC	RESIDENTIAL	APARTMENTS	COTTAGES
Bi-weekly Cart Collection	✔	✔	✔
Monthly Blue Bag Collection	✔	✔	✔
Free Saturday Morning Blue Bag Drop-Off	✔	✔	✔
Christmas Tree Collection	✔	✔	
Spring & Fall Cleanup	✔	✔	
Proper disposal of all items collected curbside	✔	✔	✔
Free HHW, electronics, white goods, tires and bulky item disposal at WWDC's	✔	✔	✔
Maximum $20 cap for sorted materials at WWDC	✔	✔	✔
Operation of IWMC Disposal Facilities & Program Administration	✔	✔	✔

SERVICES OFFERED cont'd

Call Center Support

Customer Service staff are thoroughly versed in all aspects of the Waste Watch Program and handle a wide scope of customer concerns from delivery requests to more complex issues requiring follow up with contractors, building superintendents, homeowners associations, road maintenance departments, taxation and city public works and planning departments. During this fiscal period, a total of 51,501 calls were processed reflecting calls in queue and internal lines, outgoing calls and voice mail. In addition, a total of 372 info-line e-mails were recorded as well as 132 on-line requests through our website's interactive service requests.

Contractor/Driver Liaison and Support

All residential collections are provided by contractors. Customer Service staff work very closely with contractors and drivers to ensure collection services are efficient and uninterrupted. Route challenges are resolved as they develop, and changes in collection schedules are made when necessary to improve service. Information sessions are held with drivers when required, and communication tools are developed to ensure drivers are current on new or revised IWMC initiatives. The West Prince cart collection contract was awarded to a new contractor during this fiscal period which required extensive interaction with the new contractor and drivers. Detailed zone maps and truck routes were developed and a comprehensive driver training program implemented to ensure a smooth transition of service for customers within this region.

Work Orders

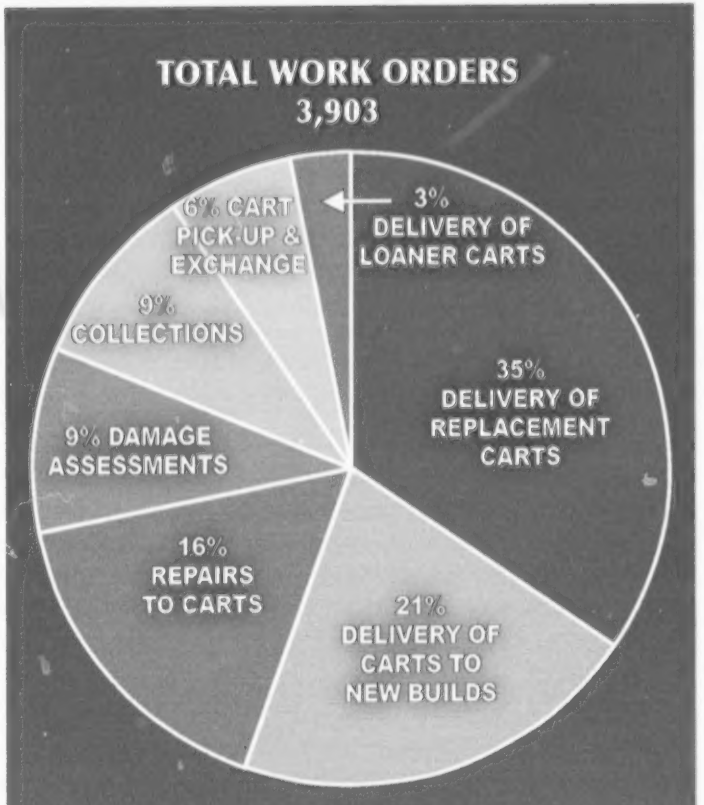
During this fiscal period, 3,903 work orders were completed by IWMC's Operational Support Technicians. Work orders revolve primarily around cart activity but also include assessments on properties and roads, goodwill collections, and providing one-on-one education and/or problem resolution for residential and business customers.

Electronic Products Recycling Program (EPRA)

Staff are trained on the various components of the electronic recycling program to assist customers on Prince Edward Island. Although these calls are routed through a special EPRA phone number, residents utilize this dedicated line as well as the IWMC toll-free number to have their electronic questions answered.

Backyard Collections

The coordination of special assessments is done through the Customer Service Center where customers with special needs are interviewed, their property assessed for accessibility, and backyard service provided for special circumstances. This service greatly assists those that are elderly or mobility impaired.



FINANCE & ADMINISTRATION

The Finance and Administration Department provides corporate services to the other departments of IWMC. These services include payroll, account receivables and payables, purchasing, budgeting, accounting, human resources, and administration.

IWMC maintains an accounting system with related controls that provide the Corporation with reasonable assurances that transactions are properly safeguarded and accounted for and that records are provided for the preparation of audited financial statements.

FINANCIAL HIGHLIGHTS

Highlights for the fiscal period ending March 31, 2013 include:

- IWMC reported a net profit of $86,400;
- No rate increase applied to customers during 2013

ADMINISTRATIVE HIGHLIGHTS

IWMC continues to work with the PEI Government's Information Technology (IT) Department. A review continues with respect to the Corporation's current network system to determine hardware and software needs in order to integrate IWMC's current network with the government network system. IT will provide support for our desktop and server and will manage a system for hardware and software backup.

In order to provide administrative and customer service to PEI's French speaking population, French training was approved for IWMC's staff. Four employees were enrolled in beginner modules and resource material, including on-line self-study programs, distributed to other interested staff members.

WASTE WATCH CLIENT BILLING SOFTWARE

The Waste Watch Client is a custom software application which monitors the status of properties in the province, registers carts and applies the appropriate annual Waste Watch fee. This software provides inquiry capabilities of all information related to each property number. The billing report for the annual residential Waste Watch fee is produced by the Finance and Administrative Department. The Waste Watch billing file is sent to Taxation and Property Records (TPR) to be included in their annual property tax bill.

Through this billing process, IWMC received revenue of $13,408,284. Properties that are exempt from property taxes as well as new properties not yet assigned parcel numbers are billed directly by the Corporation. The revenue generated by direct billing was $88,671 for this fiscal period.

FINANCIAL STATEMENTS

Attached are IWMC's audited financial statements for the year ended March 31, 2013. These statements are prepared in accordance with Canadian generally accepted accounting principles and audited by Grant Thornton, Chartered Accountants.

WASTE WATCH USER FEES (Fiscal Year 2013)	
Household User Fee	$205 Annually
Cottage User Fee	$95 Annually
Tippage Fee - Final Disposal	$100 Per Tonne
Tippage Fee - WWDC	$115 Per Tonne

HOUSEHOLD COUNT	HOUSEHOLDS	COTTAGES
March 31, 2013	62,105	8,186
March 31, 2012	61,334	8,124
March 31, 2011	60,470	8,110
March 31, 2010	59,572	8,152